

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN MIKE TAYLOR**, on February 8, 2001 at 8:00 A.M., in Room 303 Capitol.

ROLL CALL

Members Present:

Sen. Mike Taylor, Chairman (R)
Sen. Mike Sprague, Vice Chairman (R)
Sen. Edward Butcher (R)
Sen. Vicki Cocchiarella (D)
Sen. Sam Kitzenberg (R)
Sen. Dale Mahlum (R)
Sen. Glenn Roush (D)
Sen. Don Ryan (D)

Members Excused: Sen. Dale Berry (R)

Members Absent: None.

Staff Present: Bart Campbell, Legislative Branch
Kyanne Kelly, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 118, 2/5/2001
Executive Action: SB 274

HEARING ON SB 118

Sponsor: SENATOR DAN HARRINGTON, SD 19, BUTTE

Proponents: Betty Whiting, Montana Association of Churches
Don Judge, AFL-CIO
Jim Campbell, Montana Catholic Conference
Wendy Young, Working for Equality & Econ Justice
Verner Bertelson, Montana Senior Citizen Assoc
Inga Nelson, Montana Education Association

Opponents: Brad Griffin, Montana Retail Association
Webb Brown, Montana Chamber of Commerce
Bill Stevens, Montana Food Distributors Assoc
Charles Brooks, Billings Chamber of Commerce
Riley Johnson, Federation of Independent Business
Steve Turkiewicz, MT Auto Dealers Association

Informational Witness: John Andrews, Department of Labor

Opening Statement by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 0.7}

SENATOR DAN HARRINGTON, SD 19, BUTTE, said he wants to increase the minimum wage fifty cents on July 1, 2001, and fifty cents again on July 1, 2002. That would bring the minimum wage to \$5.65 this year and then to \$6.15 in 2002. He stated that in 1991 the minimum wage in Montana was aligned with the federal minimum wage, and that there has been no increase since 1995. He also stated that approximately 59,000 workers would be affected by this increase. He further stated that Lee Newspaper took a poll and 80% of the people who responded thought there should be an increase in the minimum wage.

Proponents' Testimony:

Betty Whiting, Montana Association of Churches, said we should strive to be a just economy. She further stated that a just economy gives all people access to the abundance of life, and that a just economy strives to eliminate poverty.

EXHIBIT (bus32a01)

Don Judge, AFL-CIO, stated that Montana is at the bottom of the scale now economically in the United States. He noted that over 15% of Montanans hold 2 or more jobs just to make ends meet. He

pointed out that raising the minimum wage would significantly impact single head of household women more than any other category. He noted that between 1991-1992, after an increase in the minimum wage, montana created 12,000 new jobs. He pointed out that raising the minimum wage would not make Montana lose jobs. He said this is not a jobs killing bill.

Jim Campbell, Montana Catholic Conference, said the Conference supports this bill. He stated that minimum wage workers are predominantly women. And he also said that no one who works for a living should have to live in poverty. **EXHIBIT (bus32a02)**

Wendy Young, Working for Equality & Economic Liberation, said that many people who are working are still receiving various public benefits. She suggested that Montana stop subsidizing people who are working and yet still live in poverty, by raising the minimum wage. She stated that people need to be paid a living wage. **EXHIBIT (bus32a03) EXHIBIT (bus32a04)**

Verner Bertelson, Montana Senior Citizen Association, said he supports the bill. He said with the wages so low people get off welfare, they go to work, and they still need assistance because their income is below the poverty level.

Inga Nelson, Montana Education Association, supports this bill.

Opponents' Testimony:

Brad Griffin, Montana Retail Association, said it would be a mistake for Montana to step out with such a high minimum wage. He submitted that better training and education would be the solution. He said this would make the workers value higher to the employer and thus the wage would increase.

Webb Brown, Montana Chamber of Commerce, said the minimum wage is only a part of the entire picture. He stated that any increase in wages would be passed on to the employers customers. He said he supports continuing education rather than increasing wages.

Bill Stevens, Montana Food Distributors Association, said that in the past when the minimum wage was increased services were reduced.

Charles Brooks, Billings Chamber of Commerce, said he thinks wages should be based on skill, education and productivity, not by increasing the minimum wage. **EXHIBIT (bus32a05)**

Riley Johnson, Federation of Independent Business, stated that 95% of small businesses are not paying minimum wage now, they are paying more than that already because the market requires that.

Steve Turkiewicz, Montana Auto Dealers Association, urged rejection of this bill.

Questions from Committee Members and Responses:

SENATOR GLENN ROUSH asked how **Webb Brown** thought the minimum wage could get boosted up.

Webb Brown replied continuing education, and increasing skill level would increase the wage.

SENATOR GLENN ROUSH asked what the feeling of the Chamber of Commerce would be of raising the minimum wage up at the age of 18 and then over.

Webb Brown said age based differences wouldn't be as applicable.

SENATOR DON RYAN asked **Webb Brown** what he thought of the quote of Albert Fellins, the founder of the Montana Chamber of Commerce, "Why shouldn't the American people take half my money from me, I took it all from them."

Webb Brown said they do that all the time in commerce, take the money.

SENATOR RYAN asked **Charles Brooks** if he thought earned income credit was a better way to deal with this issue. He asked him if he thought General Assistance was really a business subsidy from government so business could pay low wages.

Charles Brooks said he does not agree with **SENATOR RYAN** that it is corporate welfare.

SENATOR MIKE SPRAGUE asked for a picture of the restaurants in the small rural areas.

Brad Griffin answered that the prices are lower for a meal, so the tips on the smaller tickets are lower as well, but the servers are still making minimum wage.

Senator Sprague asked if it is the top earner income that is ruining our average, since we don't have any top earners.

SENATOR HARRINGTON said that does make a difference, but the lower the bottom income is it drags the average down also.

CHAIRMAN MIKE TAYLOR asked if the corporate subsidy would go down if the minimum wage went down.

Don Judge said it is calculated that \$9.50 an hour would be the minimum wage to come off the poverty levels. He said he would bring information and give it to the committee. **EXHIBIT (bus32a06)**

Closing by Sponsor:

{Tape : 2; Side : A; Approx. Time Counter : 26.1}

SENATOR DAN HARRINGTON, SD 19, BUTTE, said that there are a greater number of people making minimum wage or just above it or just below, this is a total of 59,000 workers. He pointed out that a minimum wage is bottom line economic justice.

EXECUTIVE ACTION ON SB 274

Motion/Vote: SEN. MAHLUM moved that **AMENDMENTS TO SB 274 BE ADOPTED.** Motion carried unanimously. **EXHIBIT (bus32a07)**

Motion/Vote: SEN. COCCHIARELLA moved that **SB 274 DO PASS AS AMENDED.** Motion carried unanimously.

ADJOURNMENT

Adjournment: 10:00 A.M.

SEN. MIKE TAYLOR, Chairman

KYANNE KELLY, Secretary

MT/KK

EXHIBIT (bus32aad)